



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

SEP 17 2019

The Honorable Raul Grijalva
Chairman, Committee on Natural Resources
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter responds to your July 23, 2019, request to Secretary of the Interior David Bernhardt seeking information related to allegations of human rights violations by partner organizations supported by international conservation grants awarded by the U.S. Fish and Wildlife Service (FWS). Secretary Bernhardt has asked that I reply on his behalf.

I want to thank you and Ranking Member Bishop for giving attention to this important issue. Secretary Bernhardt, the Department of the Interior, and the FWS stand firmly against activities that violate indigenous people's human rights. If true, the allegations you described are troubling and warrant an in-depth inquiry. We welcome the opportunity to cooperate with the House Natural Resource Committee's (Committee) bipartisan investigation and have begun our own internal review of the matter.

As we have proceeded through our own review, it has become clear that the FWS Division of International Affairs (FWS IA) staffing levels, defined expertise, and history of management challenges documented by the Department's Office of Inspector General (IG) all heighten the need for serious inquiry into these allegations.¹

We understand that the Committee's interest in this matter was initiated by a series of investigative reports published in March 2019 that detailed an extensive history of human rights violations including torture, sexual assault, and extrajudicial killings at the hands of forces abroad that may have received funding for anti-poaching efforts from partners of the U.S. government. This investigative series also drew from findings in at least a half dozen other reports investigating similar allegations dating back over a decade.² While unverified by the Department at this point, other reported allegations include claims that

¹ "Issues Found With the Award and Monitoring of Financial Assistance Agreements Made By the FWS International Affairs Program," Office of the Inspector General, U.S. Department of the Interior (July 2018); and "FWS Supervisor Allegedly Violated Conflict of Interest Ethics Law," Office of the Inspector General, U.S. Department of the Interior (February 2018).

² Some reports include: "Policy Matters: Conservation and Human Rights," IUCN Commission on Environmental, Economic & Social Policy, Issue 15, July 2007: <https://assets.documentcloud.org/documents/5754776/Conservation-Human-Right-Policy-Matters-2007.pdf>; Investigating Allegations of Extra-Judicial Killings in the Terai, United Nations (2010): <https://nepal.ohchr.org/en/resources/publications/Investigating%20Allegations%20of%20Extra-Judicial%20Killings%20in%20the%20Terai.pdf>; "Kaziranga: The Park that Shoots People to Protect Rhinos," BBC News (Feb. 10, 2017): <https://www.bbc.com/news/world-south-asia-38909512>; "Ambition and Reality of Participatory Protected Area Approaches Using Cameroon as an Example," KfW Development Bank (2018), overview available at: <https://assets.documentcloud.org/documents/5759399/SLE-Lobeke-Project.pdf>; and "Severe Human Rights Abuses Reported In and Around Salonga National Park, Democratic Republic of Congo," Rainforest Foundation UK, (June 6, 2019), available at: file:///C:/Users/hrelat/Downloads/_media_abf196ba-89da-4680-8df3-af5d382f7d5f.pdf.

internal documents “show World Wildlife Fund (WWF) has offered detailed instructions for finding and cultivating informants....purchased information and arranged bounties.”³ If verified, these would appear to be in direct contradiction to the terms of the grant awards and federal law, as outlined by FWS IA in an internal document. These reports raise concerns for many reasons.

One high profile recipient of these funds is the World Wildlife Fund (WWF). The allegations raise questions about both the adequacy of the controls in place to effectively and transparently monitor the use of U.S. taxpayer resources that support conservation and trafficking goals, as well as FWS IA and WWF’s oversight and accountability of the local partners accused of wrongdoing.⁴

I understand that FWS IA believes that its projects involve activities that do not have human rights implications of law enforcement, such as research, education, training, and monitoring. There are a number of standard requirements intended to guard against such abuses. These include, for example, a requirement that each grant award comply with applicable U.S. and foreign national laws, including human rights treaties, as outlined in the Notices of Funding Opportunities (NOFO).

Each NOFO also includes a statement of prohibited activities including purchase of firearms or ammunition, buying intelligence or paying informants, gathering information by persons who conceal their true identity, and any activity that would circumvent sanctions, laws, or regulations of either the U.S. or the country in which the activity would occur. Additionally, awards funded through the US Agency for International Development (USAID) transfer include Leahy Vetting (a screening process conducted by the U.S. Department of State) and the Trafficking Victim Protection Act (TVPA).

Regardless, to date it is not believed that an investigation into the allegations by U.S. officials with law enforcement expertise has been completed. FWS oversight has been primarily focused on assessing WWF’s compliance with award terms and conditions. Extending agency oversight beyond financial mismanagement, fraud, or noncompliance with award terms will likely require expertise that is not housed within FWS IA or the Department. In fact, FWS officials currently rely on the findings of an auditor hired and managed by WWF to assess any direct financial support of alleged human rights violations by subgrantees. As the Committee has noted in the July 12 staff briefing, this “auditing arrangement” could involve a conflict of interest.

At this stage of our review, we believe a better approach would be increased and closer Departmental coordination with the federal partners that hold appropriate expertise with such matters, such as USAID, who are in a better position to make informed determinations about the use of these funds. Entities such as USAID have, for example, more experience working through the administrative and other difficulties caused by significant physical distances from where funds are expended, language barriers, and multiple layers of corporate organizational structures.

There are other complications, as well. The information needed to verify these types of allegations is often possessed by those participating or partnering with the individuals and forces outside the bounds of U.S. law. In addition, many of the international grants are administered under 2 C.F.R. Section 200, which can limit the ability of the granting agency from directly auditing the activities of sub-grantees due to the lack of privity of contract.⁵ Under these constraints, Department auditors have indicated that the

³ WWF and TRAFFIC Guidelines for Managing Informants, July 2015:

<https://www.documentcloud.org/documents/5750380-WWF-TRAFFIC-Guidelines-for-Managing-Informants.html>.

⁴ “WWF’s Secret War: Parts 1-4,” BuzzFeed News Investigation, (March 4, 2019, March 5, 2019, March 8, 2019, July 11, 2019).

⁵ See 2 CFR 200.331, Requirements for Pass-Through Entities, and 2 CFR 200.501, Audit Requirements.

best result the agency could achieve would be to enact a compliance plan with the grantee and attempt to hold the grantee accountable for their downstream sub-awards.⁶ All of this adds to the resource constraints and short funding timelines that can impair sufficient oversight at the local level.

To help identify and mitigate these concerns, FWS and grantees are required to conduct risk assessments and performance reports to monitor compliance.⁷ Special conditions may be applied based on the level of risk. The Department is currently collecting available assessments done by FWS IA and awardees, where required, but the failure of FWS IA to properly and consistently conduct risk assessments was specifically highlighted by the IG in its July 2018 report.⁸ The Department will also be requesting from WWF the documents referenced in the investigative reports, along with any related documents that might shed light on WWF's human rights safeguards, accountability mechanisms, and past involvement in any of the alleged activities as well as the compliance reports referenced above.

Following our June 12, 2019, Committee briefing and subsequent communications, our review of (FWS IA) grants since 2013 places the total number of awards that included eco-guard-activities, a focus of the Committee's July 23 letter, at 760 grants totaling roughly \$125 million.

However, this inquiry not only affects grants already in operation or closed out but also grant requests pending before the Department. The Department is reviewing at least 28 awards totaling over \$22.5 million for similar purposes, activities, and geographic areas as those identified in the multiple investigatory reports.⁹ Because of these allegations, it is imperative that the Department understand whether FWS funds have been used for any potential prohibited activities and explore the fungible nature of funds provided to any sub-awardees accused of this behavior.

The Department's Office of Grants Management is conducting its own internal review of WWF grants since 2009 and the FWS Division of International Affairs Grants Programs. As noted above, WWF is a well-known partner organization, but their techniques, local partnerships, and ability to conduct appropriate oversight into sub-awardees are not unique to their organization, so the need for a deeper review extends beyond a single organization, type of activity, or individual country. With this in mind, the Department will request that the IG conduct an audit of the Division of International Affairs Grants Program. We will ask the IG to analyze the program's capacity to conduct sufficient risk assessments for human rights violations or support of oppressive regimes that largely operate outside the reach of US law. Legal barriers to oversight, such as sub-contracting relationships, the implementation of the IG's July 2018 recommendations, and whether federal funds that pass through FWS receive the same level of oversight, are also recommended to be included in the audit.

The Department and FWS understand the importance of preventing wildlife trafficking while maintaining the human dignity of all people, including indigenous populations that often rely on land in designated conservation areas for subsistence and preservation of their cultural heritage. In this instance, balancing these goals requires the Department to take decisive action. A portion of the awards implicated in the Department's internal review are annual appropriations to be spent before the end of the fiscal year,

⁶ Email from Kerry Neal, Director, Office of Grants Management, Department of the Interior, to Scott Cameron, Principal Deputy Assistant Secretary for Policy, Management, and Budget, Department of the Interior, August 15, 2019.

⁷ 2 CFR 200.205, Federal Awarding Agency Review of Risk Posed by Applicants; 2 CFR 200.328, Monitoring and Reporting Program Performance.

⁸ "Issues found with the award and monitoring of financial assistance agreements made by the FWS International Affairs Program," Office of the Inspector General, U.S. Department of the Interior (July 2018) at 5.

⁹ Thirteen of these twenty eight awards totaling \$19.7 million involve funding from USAID that expire at the end of FY 2019.

September 30, 2019. Unless directed by Congress to do otherwise, the Department will exercise its discretion to hold these funds, and other similar award requests, until our internal review is complete.

Institutional changes might also be appropriate and useful. We look forward to working with the Committee to better understand what changes in relevant regulations or statute might be necessary to ensure taxpayers are not asked to support human rights violations and to better hold partner organizations accountable.

In order to assist the Committee's investigation, Department has enclosed a disc, labeled 00013304_001, that contains 99 documents consisting of 1,219 pages. The Department will continue to provide responsive information as it becomes available. A similar letter has been transmitted to Representative Rob Bishop, Ranking Member of the Committee on Natural Resources, who cosigned your letter.

If you or your staff have any additional assistance regarding this issue, please contact Hubbel Relat by email at hubbel_relat@ios.doi.gov or by phone at (202) 208-7693.

Sincerely,



Susan Combs
Assistant Secretary
Policy, Management, and Budget

cc: The Honorable Betty McCollum
Chair, Subcommittee on Interior-
Environment Appropriations

The Honorable David Joyce
Ranking Member, Subcommittee on
Interior-Environment Appropriations